

Decision Maker: RESOURCES PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Executive & Resources PDS Committee on 4th January 2017

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 2ND QUARTER 2016/17

Contact Officer: James Mullender, Principal Accountant
Tel: 020 8313 4292 E-mail: james.mullender@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All Wards

1. Reason for report

On 30th November 2016, Executive received the 2nd quarterly capital monitoring report for 2016/17 and agreed a revised Capital Programme for the four year period 2016/17 to 2019/20. This report highlights changes agreed by Executive in respect of the Capital Programme for the Resources Portfolio. The revised programme for this portfolio is set out in Appendix A. Detailed comments on scheme progress as at the end of the 2nd quarter of 2016/17 are shown in Appendix B.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the changes agreed by Executive on 30th November 2016.

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring is part of the planning and review process for all services. Capital schemes help to maintain and improve the quality of life in the borough. Effective asset management planning (AMP) is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. For each of our portfolios and service priorities, we review our main aims and outcomes through the AMP process and identify those that require the use of capital assets. Our primary concern is to ensure that capital investment provides value for money and matches the Council's overall priorities as set out in the Community Plan and in "Building a Better Bromley".
 2. BBB Priority: Excellent Council; Supporting Independence
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Financial

1. Cost of proposal: Total increase of £14.4m for the Resources Portfolio over four years 2016/17 to 2019/20, mainly due to the addition of £14.1m for the Civic Centre Development Strategy (see para. 3.4)
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £40.9m for the Resources Portfolio over four years 2016/17 to 2019/20
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
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Staff

1. Number of staff (current and additional): 1 fte
 2. If from existing staff resources, number of staff hours: 36 hours per week
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Capital Monitoring – variations agreed by the Executive on 30th November 2016

3.1 A revised Capital Programme was approved by the Executive in November 2016, following a detailed monitoring exercise carried out after the 2nd quarter of 2016. The base position is the programme approved by the Executive on 20th July 2016, as amended by variations approved at subsequent Executive meetings. Changes to the Resources Portfolio Programme approved by Executive in November are shown in the table below and further details are included in paragraphs 3.2 to 3.5. The revised Programme for the Resources Portfolio is attached as Appendix A. Appendix B shows actual spend against budget in the second quarter of 2016/17, together with detailed comments on individual schemes.

	2016/17	2017/18	2018/19	2019/20	TOTAL 2016/17 to 2019/20
	£000	£000	£000	£000	£000
<u>Programme approved by Executive 20/07/16</u>	26,126	344	30	0	26,500
Review of Corporate Customer I.T System					
- Upgrade of Website (Exec 14/09/16) (see para 3.2)		176	0	0	176
Eclipse System (Exec 14/09/16) (see para 3.3)	69	0	0	0	69
Civic Centre Development Strategy (Council 04/07/16) (see para 3.4)	760	3,980	9,150	210	14,100
Approved Programme prior to Q2 Monitoring	26,955	4,500	9,180	210	40,845
<u>Variations approved by Executive 30/11/16</u>					
Eclipse System - increase in scheme costs (see para 3.3)	52				52
Schemes rephased from 2016/17 into future years (see para 3.5)	-1,170	1,170	0	0	0
Total Amendment to the Capital Programme in Q2 monitoring	-1,118	1,170	0	0	52
Revised Resources Capital Programme	25,837	5,670	9,180	210	40,897

3.2 Increase in Review of Corporate Customer I.T System – (£176k in 2017/18):

On 14th September 2016, Executive agreed a sum of £176k to be added to the 'Review of Corporate Customer I.T System' scheme for the upgrade of the Web content management system to supplement the £100k for a review/scoping exercise agreed by Executive in February 2016. The review hadn't been completed as planned due to a lack of suitable candidates to undertake the review, so following an internal review by officers from IT, Customer Services and Liberata, it was proposed to upgrade to the Jadu Continuum system, the cost of which is estimated at £226k. The remaining £50k has been set aside for a review of alternative options for the CRM system.

3.3 Eclipse System (£121k in 2016/17):

On 12th January 2016, the Care Service Portfolio Holder reviewed the renewal of the Carefirst System and external hosting options available. Following the outcome of the works on the potential implementation of the new Eclipse platform for the Children's Social Care system, in September 2016, Executive agreed that £69k be added to the 'Performance Management/Children's Service – I.T' scheme to support works on the Eclipse Business Lead System, which would be offset by an equivalent reduction in the Social Care Grant scheme.

In an attempt to address the issues raised in the system review Bromley became an 'Early Adopter' and began working on a project with a handful of local authorities and OLM Systems to develop a new case management system for Children's Social Care, with the objective to work with OLM to develop a brand new case management system. This has enabled Bromley

to have a direct influence over how the product is being designed. The LBB Project Manager was previously allocated to the project for 2 days per week and needed to be increased to a full time post for 12 months in order to deliver all tasks in time for the go live date. In November 2016 Executive agreed a further supplementary capital estimate of £52k for this scheme, which would also be offset by a corresponding reduction in the Social Care Grant capital scheme.

3.4 Civic Centre Development Strategy (£14.1m addition in 2016/17):

On 18th May 2016, Executive agreed to the inclusion of £14.1m for Civic Centre Development which includes the retention of North Block, Stockwell Building and Reception and the demolition and rebuilding of the Adventure Kingdom to create a new Democratic Hub/ multi-purpose space, and Palace and Council Chamber will not be retained. Following the approval of Council in July 2016, the Civic Centre Development Strategy scheme was added to the Capital Programme.

3.5 Schemes re-phased from 2016/17 into future years:

As part of the 2nd quarter monitoring exercise, a total of £1.17m has been re-phased from 2016/17 into future years to reflect revised estimates of when expenditure on Resources schemes is likely to be incurred. Schemes that have been re-phased from 2016/17 into 2017/18 include Upgrade of Core Network Hardware, Replacement of Storage Area Networks, and SharePoint Productivity Platform upgrade/replacement. These have no overall impact on the total approved estimate for the capital programme.

Post-Completion Reports

- 3.6 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. Post-completion reports on the following schemes are currently due for the Resources Portfolio before the end of the 2016/17 monitoring cycle:

Increasing Network Security

Civic Centre Cabling Renewal

Joint Web Platform

Server Virtualisation

Financial System upgrade/replacement of unsupported software

Office Accommodation Strategy

This quarterly report will monitor the future position and will highlight any further reports required.

4. POLICY IMPLICATIONS

- 4.1 Capital Programme monitoring and review is part of the planning and review process for all services.

5. FINANCIAL IMPLICATIONS

- 5.1 These were reported in full to Executive on 30th November 2016. Changes agreed by the Executive for the Resources Portfolio Capital Programme are set out in paragraph 3.1.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Approved Capital Programme (Executive 30/11/16) Q2 monitoring report (Executive 30/11/16) Civic Centre Development Strategy (Executive 18/05/16 and Council 04/07/16)